

A joint meeting of the Selectmen, School Committee and Finance Committee was held on Tuesday, January 3, 2006 beginning at 7:30 p.m. in the Main Meeting Room of the Town Hall. The following members were present.

Joseph Denneen, Chairman
William Ryan, Vice Chairman
Catherine Winston, Clerk
Michael Caron
Al DeNapoli
Michael Boynton, Town Administrator

School Committee Members
Nancy Gallivan
Ellen Nadeau
Jean Hogan
John Desmond
Superintendent Kathleen Smith

Finance Committee Members
Thomas Jalkut
Stephen Connell
Lynn Donovan
Thomas Bowen, Jr.
Mark Gallivan
Mary Hickey
E. Stanley Kelliher
Mary Kent
Carol Lane
Ralph Knobel
Steven Rose
John Stadtler

Mr. Boynton told the committees that over the past several years they have been using a bandage approach.

Any Questions regarding the Budgets. The gap is \$2,418,065. This is the first time it has been so large. Number based upon first pass of budgets.

Property tax levy explanation The new growth is \$988,301. That is the only guaranteed revenue source. If the expenses go up your revenues go up. The new growth does have an impact. It does speak to the industrial development. Your almost \$200,000 less next year than last year. Building Dept. permits are dropping. Of course it slows down in the Winter. The 2/1/2 levy is up \$46,000

The largest receipts are motor vehicle excise we hope that 3.3 can be realized but we will not know until March. We estimated 3.2 million. We have only collected \$600,000. But a lot of it goes out in February. The interest rates are up; The student parking fees is about \$500,000 than last year. Drop off in Supplemental assessments.

Does not know what is going to happen in state aid.

Other available funds. Ambulance fund has done well. Money has to be set aside for a new ambulance We do have to have \$157,000. In 3 ½ years the money has doubled. That has covered the cost of additional personal.

Two other changes. Bonds premium is paid out to the town it decreases. It is a one time hit.

Mark Good, We will not be issuing bonds until a year from now.

Mr. Boynton explained with the health insurance trust reserve. We have been working with Counsel to see what to do with that funding. Putting it towards health insurance

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premiums. We have the ability to use it over years. It would make sense not to use it all in one year. Allow us to manage it better.

Mr. Connell, If grants were from all departments would be shown here. How do you motivate people to write grants? Mr. Boynton explained that for the general operating, there aren't any. Most of them are safety grants.

Free Cash Analysis. Reviewed the numbers. Prison mitigation still recommends holding back \$500,000. The proposal going into next year is we spend \$950,000 out of free cash. The departments are turning less back. We do not have surprises at the end of the year.

We have done well with our capital program. Air quality is needed. We have utilized the funds properly.

The FY07 budget, I have held out \$39,000 for parking fees and \$70,000 in the event of the project manager has to be changed through one time revenues. No longer can you hire the clerk of the works. They have to start before you hire a designer.

Tom Jalkut questioned where does the interest from the health insurance go? Mr. Boynton explained that is separate with the health insurance.

Mike Caron wants to take free cash off the table. Even though the problem this year is more than other years. The free cash is swindling. I would hope that as the evening goes on we avoid tapping into free cash.

Heating costs are impacting the budgets. Because they operate 24/7.

The School department is working on their budgets.

Cultural recreation. The library appears to be adding hours of operation. Position added on the Parks Department.

The interest is because of the school projects. Function of debt exclusion. Some costs that will be dropping off.

Health and fringe benefits. Because of the magnitude of this increase.

Ms. Winston questioned FY05 under police, fire accident insurance. Why did it jump so high? Mr. Boynton explained that our coverage was not up to par. We made an assessment of where we needed to go with that.

In Mass cites and towns are bound by the Dennis decision. You have to bargain with the union regarding health insurance. We need to be realistic, and reflect what other towns are doing. Form a line with the private sector.

Mr. Boynton discussed how did this all of a sudden get to 2.4 million dollars short. Local receipts nothing is different here except we have made some positive gains. Fees alone will not get it done but it will help put some money on the table. Discussed the shortage in State aid. Pretty confident that there is not 2.4 million to get us back to the level of where we need to be. Working with our legislators regarding the lottery money.

Carol lane, if the Legislators give more local aid, the feeling is that it should go more to cites. It is all going to the poor. Lawrence, Springfield, some are receiving 100% of the school budget. The lottery is the spot where the money comes in. That one is not subject to the formulas. The cites seem to have political clout.

Nancy Gallivan, The money does tend to go to the cites. Working with other cites and towns is the answer. Some have more reserves than we do. If all of us as grassroots groups contact the Governor. Now is a good time to contact our legislators. I understand that the state must prioritize.

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Mr. DeNapoli discussed Suburban Coalition days, Walpole has one of the largest number of constituents there. It is difficult. We have been doing it. It is difficult to get the other towns around to become involved.

Mr. Boynton explained under Chapter 81, at one time we received \$160,000 in funding. That is money that comes from free cash.

Sewer rate relief, you can see the drop off continues. We do have sewer debt. We have master plans that need to be reviewed every few years.

Mr. Boynton explained there is not a 2.4 million dollar bail out coming.

Superintendent Smith. That is based on the 1.6 numbers. We have heard discussion on children coming in to sped. We are always working to find other programs. Red Flag. While we say we may be able to take this down, we might be pushing it into a different direction.

What is the message to the legislators to be? How much money do we want.

Mr. DeNapoli discussed the comparison of FY2003-2007. The tax levy 8 million. Subtract the insurance increase. That leaves you with 4 million. We have not addressed any other costs except insurance.

Mrs. Gallivan suggested the Boards get together and try to formulize a message. The big thing we need is to have the funding. A few of us should sit down and go over this. What is the message and what is the most clear way to convey.

Mr. Boynton feels the Town needs to be given some tools to help manage the health insurance costs.

Mr. Boynton discussed mandates by the State. If it is not going to be paid by the state, than it should not be past on.

Mr. Caron questioned what is the percentage of SPED to the overall budget as opposed to 4 years ago. Dr. Smith stated that it has increased about 4%. It is reaching about 30% of the overall school budget. Where are the legislators? These are costs being imposed without funding. Do not impose new fees. Why are our costs 30%? I would like the school committee to draft a message.

Ms. Gallivan explained there are more and more children that are surviving, but they come at a great cost. I do not think any legislators want to say we can not continue to do that. We need to move towards a goal, not to have to choose one child over another. When education reform, we all understand from 2001.

Dr. Smith stated the state did put through circuit breaker. We have been lobbying to put transportation into circuit breaker. There needs to be easier ways to say I can't get that out of our budget.

Mr. Caron questioned what percentage of 30% is on transportation?

Mr. Jalkut questioned, why isn't money going to cites and towns? Uncapping the lottery sounds like something every city and town can get behind.

Ralph Knobel suggested developing an agenda for this meeting that is coming up. Go to your departments and have a list of regulations that have been mandated.

Carol lane, I think SPED is a term that we throw out there. It is a two sided thing. The average kid, is a child that is not getting expensive services. The costs of SPED are politically incorrect to talk about. A few are using most of the funding. We are talking about a lot of money for a very small number. Some of the SPED is a very big bang for the buck. Maybe the state can help figure out ways. If you are spending this amount per person, it comes off that SPED, as two different problems.

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Mr. DeNapoli pointed out that Mr. Boynton has to go forward with a budget. And we will not have any ideas what the numbers will look like until we get the Cherry sheets. Do we wait for the state to give us more revenue. Mr. Caron Suggested putting trash into its own enterprise fund.

Mr. DeNapoli noted that a lot of towns have gone to trash fees. I think the best case scenario, we are looking at additional 1 million in revenue. That is what you are looking at.

Ellen Nadeau, layout what our options. What is the likelihood of getting trash fees. Than there are cuts. What does 1.6 million look to the schools and \$800,000 to the towns and than there is the override. We need to rank order and how we are going to look at these cuts. Can you give us an idea of what \$800,000 looks like?

Mr. Boynton having gone through the expenses, there is no fat. If you cut out everything from conferences and meetings you may see \$15,000. There are a few new positions added, I would never advocate for that. What we would have to do is determine essential services. Send out tax bills, prepare voting, census, we have to set the tax rate, inspect the buildings. We have already reduced many of the departments from the last cut. I would have to go through cultural and recreation.

Superintendent Smith stated that is equivalent to over 40 teachers. It is hard to figure out until we get to that point. I think we have been badly hurt in the lack of state aid. I would be surprised if we do not start charging a fee for elementary transportation. Support service personnel. The last 4 years have been too much to bear.

Mr. Boynton explained that some of these numbers might change. I have not put the final budget together.

Ellen Nadeau felt that they needed to look at where we can come with this kind of money.

Tom Bowen, I think we should do whatever we can to control costs. I am pessimistic on getting these problems solved. There is also a belief, the state wasn't going to continue to fund towns to increase more than the revenue. We need to start looking internally. I am not sure we are in the climate to tell tax payers we need more.

Mr. Boynton noted that at 2 ½ percent a number that was added in 1981, if your health insurance increase alone, In order to bring your health insurance so your annual increase could fit within 2 ½ you have to eliminate over 100 positions system wide. How do we fix that problem?

Mr. Bowen felt we needed to look to the state house for help with insurance.

Mr. DeNapoli wanted to know what structural changes should we make? I got onto the Board make sure there was no fat.

Mr. Bowen noted the teacher contract. If you want to give people more money, sometimes you have to get rid of people.

Mr. DeNapoli did not see that as a structural change. How you deliver education to children? We have classes in the High School with 38 children in it.

Mr. Bowen pointed out that in the contract they state how many classes. Our teacher student ratio. We need to start looking at that. When we spend money like we do.

Mr. DeNapoli wanted to know where else do you see structural changes? Mr. Bowen explained the fin Com has subcommittees and we will have to look at that. If we expect to ask the taxpayers to agree to an override. No matter what they give us, we want 7% more each year after that. Than we need an override every 4 years. Everyone at home has these impacts. Mr. DeNapoli has not seen a lot of fat in the budgets in the town. There are other pressures in the town.

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Mrs. Gallivan stated when we did negotiate the contract we did consider when we went outside the 3% number we felt we might have to lay people off. To keep good qualified teachers. If we have to absorb that 1.6 million dollar cut. I do not know what we can do about the growth of 7%. It is important for people to understand that we might have to lay people off. We may have to layoff a small portion. I do not believe we are going to get the solution from the state. I will work with anyone on Thursday or Friday.

Ms. Winston would like an input as to what the tenure for an override is in this town. To pretend in June we are going to have a win fall. I do not think it is going to happen in this town.

Steve Rose, Need to see a three year projection.

Mr. Jalkut noted that he heard Mr. Ryan say he is not supportive of trash fees. We are going to be working with Mr. Boynton on revenue projections. I do not think we are going to find any fat. We have to work with the revenue that we are presented with. Hoping your insurance number will come down.

Superintendent Smith stated that they have done a lot to find funding outside the budget. I think not to raise the question with far few places to go to get the money.

Carol Lane I think it will have to be a combination of things. The growth of business in S. Walpole, maybe the entire town has to be involved in where this town is going. Few years ago, we had a request to expand the mall. There are messages in the newspapers, is that a minority or a majority message.

Mr. Caron supports a pay as you throw program. It increases recycling. I think that would raise about 8000-9000 a year. Still short. As part of this process, if we do not look internally, lining up what the cuts would be. I would be in favor of that. I would support trash fees.

Mr. DeNapoli has always been in support of trash fees. I think parents with children have been fed more than any other portion of residents in this town. The last time we debated the override. We went through with a budget with the money in the budget and then we had to go back. I thought a lot if that was the best way to do it. I would like to see people be spared the job. I agree with Cathy I do not think that the towns people would be supportive of an override. We do not have a lot of alternatives. It think we need to fashion a budget with the cuts and hope for relief. See what happens. I would support lessening that pain by supporting a trash fee or pay as you throw.

Mr. Boynton questioned on the municipal side, should he spread the pain, everyone suffers the same cuts. Or looking at essential services and some departments would have major cuts.

Mr. Denneen thinks you have to look at in the overall view. Focus on essential services prioritize, some departments would get hit harder than others.

Jean Hogan, told the Committees that there might be a legislative meeting and they do go into the night. Hopefully they will attend the Board's meeting of the 10th.

Mr. DeNapoli suggested setting January 31, 2006 meeting.

MOTION moved by Mr. Ryan to adjourn at 10:00 p.m. seconded by Mr. Caron, VOTED 5-0-0.

Respectfully submitted,

Catherine Winston, Clerk